

1	2	3
		42. Lucknow
		43. Cochin
		44. Patna
		45. Cuttack
		46. Jodhpur
		47. Ambala Cantt.
		48. Jabalpur
13. Central Board for Workers Education, Nagpur.		49. Barrackpore

\*\* DGE&T is operating through both ITI & ATI.

[English]

#### Tribal Population Exempts from Income Tax

3192. SHRI P. NAMGYAL : Will the Minister of FINANCE be pleased to state :

(a) whether Tribal population of the country particularly North East and some other areas have been exempted from payment of Income Tax in view of their poor socio-economic conditions;

(b) if so, whether the 95 per cent population of Ladakh region has been declared scheduled tribe in the year 1989 and Income Tax exemption prior to 1989 were enjoyed by the entire population of Ladakh region; and

(c) if so, the reasons for not granting Income Tax exemption to the tribals of Ladakh region and remove the discrimination and disparity towards 95 per cent tribal population of that region ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Sir, under clause (26) of section 10 of the Income-Tax Act, 1961 a member of a Scheduled Tribe as defined in clause (25) of article 366 of the Constitution, residing in any specified area, is exempted from paying income tax on any specified income accruing or arising to him.

(b) There was no Scheduled Tribe in Jammu and Kashmir including Ladakh region prior to 1989. The Scheduled Tribes were declared as such for the first time in Jammu and Kashmir by the Constitution (Jammu and Kashmir) Scheduled Tribes Order, 1989. The 1991 Census was not conducted in Jammu and Kashmir and, therefore, the figures of Scheduled Tribes for Jammu and Kashmir including Ladakh region are not available as per this Census.

Income Tax exemption was provided to the residents of Ladakh through the Finance (No. 2) Act, 1965 with

retrospective effect from 1st April, 1962, in view of the position that the residents of Ladakh and suffered hardship and their trade had been adversely affected as a result of Chinese aggression. This exemption continued upto the assessment year 1988-89.

(c) The reasons for not granting income tax exemption to the residents of Ladakh region after the assessment year 1988-89 are as follows:-

(i) Time to time increase in the exemption limit to the present limit of Rs. 40,000/-combined with other tax benefits such as standard deduction, deduction under section 80L, tax rebate under section 88, etc. take care of residents with poor economic conditions.

(ii) Income-tax exemption which was intended to benefit the poor sections of the people of Ladakh was benefitting the affluent and was being misused by unscrupulous businessmen for laundering their black money through the residents of Ladakh.

[Translation]

#### Agro Based Industry in Rural Areas

3193. SHRI DINESH CHANDRA YADAV: Will the Minister of INDUSTRY be pleased to state:

(a) The details of the steps taken by the Union Government to set up agro-based industries in rural areas during the last two years, State-wise; and

(b) the extent of success achieved by the Government as compared to the targets fixed ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Agro-based industries are being promoted by the KVIC which has taken various steps to develop them. The KVIC provides financial assistance by way of grant and loans to its registered Institutions, Cooperative